

Bill Freezes Federal Funding, Commissions Study for California's HSR Project

Congressman Kevin McCarthy today introduced legislation (H.R. 3143) to freeze federal funding for California's high-speed rail (HSR) project and direct auditors to review the project so more evidence can be gathered about its feasibility before additional taxpayer dollars are spent on it. The bill has been cosponsored by the following members of Congress: Rep. Brian Bilbray (CA-50), Rep. John Campbell (CA-48), Rep. Jeff Denham (CA-19), Rep. Duncan Hunter (CA-52), Rep. Darrell Issa (CA-49), Rep. Tom McClintock (CA-04), Rep. Buck McKeon (CA-25), Rep. Devin Nunes (CA-21) and Rep. Wally Herger (CA-02).

"From the ever-changing cost and ridership estimates to incomprehensive environmental reports, questions surrounding the viability of this project have been long-standing, and the California High-Speed Rail Authority's recent delay of its business plan is just another example of why a spending freeze and independent review is needed," said Congressman McCarthy. "Responsible stewardship of taxpayer dollars is always important, and now more than ever. We cannot afford to throw money we don't have at a project most don't have confidence in. That's why I introduced this legislation, so we can take a step back and figure out what high-speed rail really means for taxpayers."

"With all the current examples of taxpayer money being squandered on politically correct projects that have little chance of success, we should absolutely not be wasting even more money on a very expensive high-speed train from nowhere to nowhere," said Congressman Campbell.

"Freezing funding for this project is necessary to assess how taxpayer money will actually be spent. There must be a disciplined plan that ensures accountability for taxpayer dollars and instills confidence in private investors. Otherwise the project should be halted, and the money should be put towards shovel ready projects that will get people back to work today, not 12 months from now," said Congressman Denham.

"Facing enormous deficits and a faltering economy after the failure of the 2009 Stimulus bill, we simply can't afford to throw billions at a project that looks like a breeding ground for waste and abuse of taxpayer funds," said Congressman Issa. "Until certain questions are answered, having this project move forward is a mistake. Legislation calling for a timeout is clearly

necessary."

Specifically, this legislation:

Freezes federal monies that have not been obligated, or have been but not yet expended by the California High-Speed Rail Authority until September 30, 2012. A total of \$3.6 billion in federal funding has been set aside for California's HSR project. \$2.9 billion has been obligated and \$715 million remains unobligated. This legislation would freeze the balance of the \$2.9 billion that has not been expended and all of the \$715 million.

Commissions a Government Accountability Office study to assess the project's feasibility, which must be submitted to Congress within 120 days of enactment. It will assess the following:

- Ridership projections
- Costs to taxpayers and potential future government subsidies to make the project viable
- Necessary ticket prices and ridership levels to make the project self-sustaining
- Cost of making a trip on HSR as compared with other modes of transportation
- Potential adverse economic impacts resulting from eminent domain
- California's project compared to other HSR projects